

## CHAPTER 57.

[H. B. 196.]

## OCCUPATION TAX.

AN ACT relating to taxation; imposing tax upon persons engaging in service and other businesses; defining terms; relating to persons exempted from tax; adding two new sections to chapter 191 of the Laws of 1933 and amending section 4 thereof; and declaring that this act shall take effect immediately.

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. That chapter 191 of the Laws of 1933 be, and the same hereby is, amended by adding thereto a new section, to be known as section 2-a, to read as follows:

Amends  
ch. 191,  
Laws 1933.

Section 2-a. (1) From and after the first day of January, 1934, and until the thirty-first day of July, 1935, there is hereby levied and there shall be collected from every person engaging or continuing within this state in the business of rendering or performing services, professional or otherwise, and from every person engaging or continuing within this state in any business not specifically taxable under section 2 of this act, an annual tax or excise for the privilege of engaging in such business; as to such persons the amount of the tax or excise shall be equal to the gross income of the business multiplied by the rate of five-tenths of one per cent; for the purposes of this act a person engaged in a business or profession shall include all persons whose services are paid from public funds holding any public office or any public position or employment with the State of Washington or any political subdivision thereof, whose monthly salary exceeds \$200.00 per month. This section shall apply, also, to every person taxable under section 2 of this act with respect to any portion of the gross income of

Tax levied.

the business derived from activities not taxable under the provisions of said section 2.

Exceptions  
from act.

(2) The provisions of this act shall not apply :

(a) To persons acting solely in the capacity of employee or servant, receiving a fixed wage or salary or a compensation determinable according to an agreed plan or formula, having no direct interest in the income or profits, or liability for expenses or losses, as such, resulting from the transaction of the business.

(b) To gross income derived from the lease or rental of real estate: *Provided, however,* That nothing herein shall be construed to except gross income derived from engaging in a hotel, warehouse or storage business or from engaging in any business wherein a mere license to use or enjoy real property is granted.

(c) To gross income derived from initiation or membership fees, dues, contributions, donations, gifts, tuition fees, investment or endowment funds. The deductions provided for in this paragraph shall not apply in the case of any person engaging in business for profit or to a corporation, association or society any part of the income of which inures to the benefit of any stockholder, member or other individual, directly, in the form of dividends or distributions or, indirectly, in the form of salary, wage, fee or commission incommensurate with the value of services rendered. The provisions of this paragraph shall not be construed to exempt any person, association or society from tax liability upon engaging in any extractive or manufacturing industry, upon selling tangible property or upon providing facilities or services for which a special charge is made to members or others.

Amends  
ch. 191,  
Laws 1933.

SEC. 2. That chapter 191 of the Laws of 1933 be, and the same hereby is, amended by adding

thereto a new section, to be known as section 1-a, to read as follows:

Section 1-a. The term "value proceeding or accruing" means the consideration, whether money, credits or other property, expressed in terms of money, actually received or accrued. The term shall be applied, in each case, in accordance with the method of accounting regularly employed in keeping the books of the taxpayer. The tax commission, by regulation, shall provide for deductions on account of credit losses actually sustained by taxpayers whose regular books of account are kept upon an accrual basis. The tax commission also may provide by regulation that the value proceeding or accruing from sales on the installment plan under conditional contracts of sale may be reported as of the dates when the payments become due.

"Value proceeding or accruing."

SEC. 3. That section 4 of chapter 191 of the Laws of 1933 be, and the same hereby is, amended to read as follows:

Amends § 4, ch. 191, Laws 1933.

Section 4. The following persons shall be exempt from the provisions of this act:

Persons exempt.

(1) Insurance companies which pay to the State of Washington a tax upon gross premiums.

(2) Persons engaging in the business of:

(a) Growing or cultivating for sale, profit or use any agricultural or horticultural product or crop.

(b) Breeding, hatching or raising any fowl, animal or livestock for sale, profit or use or for the milk, eggs, wool, fur or other substance obtainable therefrom.

*Provided, however,* That the foregoing shall not be construed to exempt any person:

(w) From tax as a retailer of tangible property.

(x) Growing, raising or cultivating oysters, clams, shrimp, crabs, fish or the like.

(y) Purchasing and feeding or fattening live-stock.

(z) Growing, raising or cultivating trees, shrubs, bushes, plants and the like, either as forest or nursery products.

Effective immediately.

SEC. 4. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the House January 11, 1934.

Passed the Senate January 11, 1934.

Approved by the Governor January 18, 1934.

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## CHAPTER 58.

[H. B. 60.]

### ASSOCIATION OF SUPERIOR COURT JUDGES.

AN ACT providing for the relief of congested superior court calendars; providing for the organization and government and duties and powers of "The Association of the Superior Court Judges of the State of Washington" and the officers thereof; and declaring an emergency.

*Be it enacted by the Legislature of the State of Washington:*

Association of superior court judges.

SECTION 1. All the judges of the superior courts of the State of Washington are hereby associated under the name of the association of the superior court judges of the State of Washington.

First meeting called by Governor.

SEC. 2. The first meeting of the association shall be called by the Governor of the state by notice sent to each judge by mail, fixing the time and place of meeting, which shall be within thirty days after this act becomes effective. At this meeting the judges shall elect from their number a president, who shall be called president judge, and a secretary, who shall hold their offices until the next meeting, which shall be held at some time in July or August, 1935, and

President ; secretary.